

FRANKLIN REGIONAL RETIREMENT SYSTEM
BOARD MEETING MINUTES
February 26, 2020

A meeting of the Franklin Regional Retirement Board, duly posted to be held in the Board office, 278 Main Street, Suite 311, Greenfield, MA, on the above date was called to order at 8:02 a.m. by Board Chair Sandra Hanks, with Board Members, Paul Mokrzecki, Angelina Bragdon and Gabriele Voelker present. Mary Stokarski was absent. Also present were Executive Director Dale Kowacki and Auditor Deborah Frenzoz. Visitors during the meeting were Greg McNeillie of Dahab Associates, Christopher Lazzaro of Loomis Sayles, and via videoconference, Francesco Daniele of PRIM.

Prior to and during the meeting, the following items were available for the Board's review: monthly financial statements, current investment statements, invoices, and member and retiree files related to items on the agenda.

A permanent copy of the agenda as presented to the Board is on file in the retirement office, except for those items that are restricted from public viewing.

Review and Acceptance of Meeting Minutes

On a motion made by A. Bragdon and second by G. Voelker, the Board voted unanimously to approve the minutes of the regular meeting held on January 29, 2020.

Payroll, Refunds, Transfers and Bills Warrants

On a motion made by P. Mokrzecki and second by A. Bragdon, the Board voted unanimously to approve the warrants as follows:

Retirees Payroll	\$967,141.63
Refunds	94,563.34
Invoices 14-19W	29,523.74
Invoices 02-20W	<u>135,605.12</u>
For a total of:	\$1,226,833.83

Cash Transfer between Investments and Bank

On a motion made by G. Voelker and a second by P. Mokrzecki, the Board voted unanimously to transfer \$1,652,000.00 from PRIT Core Fund to cover next month's warrants.

Membership

On a motion made by G. Voelker and a second by A. Bragdon, the Board voted unanimously to approve the new members and additional positions as follows:

<u>NAME</u>	<u>HIRE DATE</u>	<u>C.S. %</u>	<u>New %</u>	<u>UNIT</u>	<u>POSITION</u>
Adams, Roy	1/27/2020	80%		FRT	Janitor
Catrambone, Derek F	1/13/2020	100%		SND	Instructional Assistant
Goodnow, Lewis R	10/4/2019	70%		MOH	Long-term substitute paraprofessional
Haley, Caylin E	1/6/2020	100%		WTY	Instructional Assistant
Higgins, Jason D	12/4/2019	100%		NSW	Paraprofessional
Kravitz, Geoffrey D	2/3/2020	100%		SND	Town Administrator
Morin, Matthew G	2/3/2020	100%		ERV	Patrolman
Spratt, Raegan A	2/5/2020	90%		PNR	Instructional Assistant
Upton, Darline J	10/29/2019	100%		MOH	Long-term substitute paraprofessional
Wiedenroth, Jeremy E	2/10/2020	100%		MOH	Custodian
<u>Additional Position</u>					
Morse, Jennifer A	1/27/2020	100%		ASH	Interim Town Administrator
Mousseau, Stacey	1/20/2020	0%		NTD	Town Accountant
Walsh, Rebecca B	1/1/2020	100%		COL	Call fire-fighter

New Retirees:

On a motion made by G. Voelker and a second by A. Bragdon, the Board voted unanimously to approve the following retirement:

Benjamin, Mary – The retirement packet has been submitted to PERAC to retire Mary Benjamin for a Superannuation, Option B retirement allowance. Her last day of work was January 15, 2020 and her retirement benefit will begin on January 16, 2020. Ms. Benjamin was a group 1 member working as an instructional assistant for the Frontier Regional School District, accruing 23 years, 10 months of creditable service. The Greenfield Retirement Board holds liability for 2 months, 26 days of the total service.

Buybacks and Makeups:

On a motion made by A. Bragdon and a second by G. Voelker, the Board voted unanimously to approve the following buyback:

McLatchy, Paul – current member serving in the Town of Rowe as Town Clerk and Administrative Assistant has requested a make-up of service to the Town prior to membership as follows:

- Goal Post Editor – 9/1/2011-7/31/2015 – 8 months, 23 days
Actual hours worked based on Massachusetts Minimum wage
- Administrative Assistant – 7/15/18-6/3/19 – 3 months, 4 days

Actual hours worked based on known hourly rate

Total creditable service allowed is 11 months, 27 days at a cost of \$3,589.96 if paid by March 31, 2020 otherwise interest will accrue as allowed by law.

General Business:

UniPay/ACH

This discussion took place earlier in the meeting while the Board members were signing the minutes and the warrants.

Dale Kowacki informed the Board that he has been in negotiations with Unibank about alternatives to the check scanner machine for deposits. The issue arose when Dale learned that Unibank's new software vendor wanted to have access to our computers to download new software, and in order to do so needed us to turn off our security software while they were in our computers. Dale also learned that the new vendor only supports the scanner via the browser "Internet Explorer" - which as you might be aware is being abandoned by Microsoft and many users because it is a frequent target of hackers.

The number of checks we deposit has been less since we have a few towns sending deduction money directly by ACH or wire. We average 2-3 checks a day for our deposits - and so our need for a check scanner is not that great. However, we don't want to go back to mailing deposits if we can help it. The idea that Unibank proposed, as a solution, is to use their Unipay service (many of our employer units already do). The idea would be that treasurers would post the payment to Unipay instead of mailing us a check.

After some discussion, the Board was open to the idea and paperwork was signed to begin using Unibank's Unipay service.

Ordinary Disability Application – Kerri Deleo

An application was received and reviewed by board's counsel, Michael Sacco, who in reviewing the file, recommended a PERAC medical panel review.

On a motion made by P. Mokrzecki and a second by A. Bragdon, the Board voted unanimously on the advice of Board Council to accept Kerri Deleo's ordinary disability application and to send it to PERAC for review by a medical panel.

Confirm stipend for Retirement Board Chair

It was missed earlier in the budget process for 2020, so the Board was asked if it wanted to increase the annual stipend of the Board Chair.

On a motion made by P. Mokrzecki and second by A. Bragdon, the Board unanimously voted to increase the annual stipend for 2020 by 4%, for an annual stipend of \$11,112.00.

Vote Reallocation of last year's budget line items

On a motion made by G. Voelker and a second by A. Bragdon, the Board voted unanimously to approve the following transfers between lines for 2019:

20,337.32 from:	Management Fees
\$9,320.18 to:	Equipment & Software Maint. Services
\$100.00 to:	Dues
\$811.61 to:	Board Election
\$9,801.63 to:	Computers
\$303.90 to:	Online Resources

PRIM – PRIT (State)

Francesco Daniele, Senior Client Services Officer joined the meeting via video conferencing at 8:43 a.m. Mr. Daniele gave a performance update, discussed staffing changes within PRIT, restated PRIM's core beliefs and informed the Board that there are no changes in 2020 to PRIM's asset allocation. Mr. Daniele also stated that this year marks 10 years that Executive Director, Michael Trotsky has been with PRIM.

Investment Consultant – Dahab Associates

Greg McNeillie, Vice Chairman and Principal with Dahab Associates joined the meeting at 9:07 a.m. and reviewed the fourth quarter returns for the investment portfolio.

Greg informed the Board that Kevin Condy was promoted to Head of Research. He will be doing more client meetings and running the research group.

Also, because of allocation changes that PRIM has made, Greg discussed with the Board making an adjustment to the FRRS asset allocation to accommodate the PRIM changes and align more exactly with the Board's desired target allocation. Greg suggested that the Board change the target allocation to the PRIT Core Fund from 45% to 40% and increase the target allocation to Loomis from 4% to 9%.

On a motion made by P. Mokrzecki and second by A. Bragdon, the Board voted unanimously to change the target allocation to the PRIT Core Fund from 45% to 40% and increase the target allocation to Loomis from 4% to 9%.

Using the investment balances as of January 31, 2020, Dale Kowacki, Executive Director presented to the Board a transfer of 7,000,000.00 from the PRIT Core Fund to Loomis Sayles core fixed income to affect the 5% allocation shift.

On a motion made by G. Voelker and a second by P. Mokrzecki, the Board, voted unanimously to transfer \$7,000,000.00 from PRIT Core Fund to Loomis Sayles cored fixed income to affect the 5% allocation shift.

In addition, Greg presented the Board with the results of the Small Cap manager RFP's. At the Board's August 28, 2019 meeting, the Board asked Mr. McNeillie to conduct a search for a small cap manager, and to bring to this meeting his recommendations to the Board.

After some discussion, the Board agreed to interview three (3) small cap managers to manage small cap core value for the benefit of the retirement system.

The Board selected the following three managers, from a pool of 58 that submitted proposals to be interviewed in 45-minute intervals by the Board on April 1, 2020 starting at 8:00 a.m.

Copeland Capital Management – Small Cap Dividend Growth
Teton Advisors – Small Cap Select Value
Palisade Capital Management – Small Cap Core Equity

Fixed Income (Bonds) – Loomis, Sayles & Company

Christopher Lazzaro, Vice President, Client Portfolio Manager joined the meeting at 10:17 a.m. and presented to the Board a comprehensive written quarterly report of investment performance, discussed staffing changes, reviewed the firm’s overview, and reported on the investment manager’s current investment outlook or forecast as well as strategy for the future.

Adjournment

On a motion made by G. Voelker and a second by A. Bragdon, the Board voted to adjourn the meeting at 10:43 a.m.

Respectfully submitted,

THESE MINUTES WERE APPROVED ON MARCH 25, 2020

Deborah A. Frentzos, Auditor

Sandra A. Hanks, Chair and Treasurer

Angelina J. Bragdon, Council Member

Gabriele H. Voelker, Board Member

_____absent_____
Mary A. Stokarski, Board Member

Paul J. Mokrzecki, Vice Chair

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